



THE COMMONWEALTH OF MASSACHUSETTS
OFFICE OF CONSUMER AFFAIRS AND BUSINESS REGULATION

**DEPARTMENT OF
TELECOMMUNICATIONS & ENERGY**

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Amy G. Rabinowitz, Esq.
Massachusetts Electric Company
Nantucket Electric Company
25 Research Drive
Westborough, MA 01582-0099

BY FAX AND U.S. MAIL

RE: Massachusetts Electric Company and Nantucket Electric Company, D.T.E. 00-65-A
Fifth set of Information requests on Energy Efficiency Plan 2002 Update

July 19, 2002

Dear Ms. Rabinowitz:

The attached information requests concern Massachusetts Electric Company's and Nantucket Electric Company's ("Companies") Energy Efficiency Plan 2002 Update as requested in Massachusetts Electric Company/Nantucket Electric Company, D.T.E. 00-65, at 8 (2001). Responses should be filed no later than August 2, 2002. If you have any questions please contact me at 617.305.3620. Thank you for your attention to this matter.

Sincerely,

William H. Stevens, Jr.
Hearing Officer

cc: Mary Cottrell
Staff as assigned
Joseph Rogers, Assistant Attorney General

encl: Fifth set of Department information requests

**COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY**

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MASSACHUSETTS ELECTRIC COMPANY)	
AND)	D.T.E. 00-65-A
NANTUCKET ELECTRIC COMPANY)	
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FIFTH SET OF INFORMATION REQUESTS OF
THE DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY TO
MASSACHUSETTS ELECTRIC COMPANY AND
NANTUCKET ELECTRIC COMPANY

Pursuant to 220 C.M.R. 1.06(6)(c), the Department of Telecommunications and Energy ("Department") hereby submits to Massachusetts Electric Company and Nantucket Electric Company the following information requests with respect to the above captioned matter.

Instructions

The following instructions apply to this set of information requests and all subsequent information requests issued by the Department to Massachusetts Electric Company in this proceeding.

1. "MECo" or "Companies" means Massachusetts Electric Company and Nantucket Electric Company, its officers, directors, employees, consultants, and attorneys.
2. "Companies' Filing" or "Filing" means all the documents the Companies filed in this proceeding.
3. "The "Update" means the Energy Efficiency Plan 2002 Update filed by MECo on May 31, 2002.
4. "Guidelines" means Guidelines for the Methods and Procedures for the Evaluation and Approval of Energy Efficiency Programs, D.T.E. 98-100, Att. 1 (2000).
5. "DOER" means Commonwealth of Massachusetts Division of Energy Resources.
6. Each request should be answered in writing on a separate page with a recitation of the request, and with a reference to the request number, the docket number of the case, and the name of the person responsible for the answer.
7. Please do not wait for all answers to be completed before supplying answers, but

instead please provide the answers as they are completed.

8. These requests shall be deemed continuing so as to require further supplemental responses if the Company or its witnesses receives or generates additional information within the scope of these requests between the time of the original response and the close of the record in this proceeding.
9. The phrase "provide complete and detailed documentation" means provide all data, assumptions, and calculations on which the response relies; provide the source of and basis for all data and assumptions employed; include all studies, reports, and planning documents from which data, estimates, or assumptions were drawn and support for how the data or assumptions were used in developing the projections or estimates; and provide and explain all supporting workpapers.
10. The term "document" is used in its broadest sense and includes, without limitation, writings, drawings, graphs, charts, photographs, phono-records, microfilm, microfiche, computer printouts, correspondence, handwritten notes, records or reports, bills, checks, articles from journals or other sources, and other data compilations from which information can be obtained, and all copies of such documents that bear notations or other markings that differentiate such copies from the original.
11. If the Company finds that any of these requests is ambiguous, please notify the hearing officer so that the requests can be clarified prior to the preparation of a written response.
12. Please serve a copy of the responses on Mary Cottrell, Secretary of the Department. Please also submit the responses directly to: (1) William Stevens , Legal Division; and (2) Gene Fry, Electric Power Division.

**COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY**

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FIFTH SET OF INFORMATION REQUESTS OF
THE DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY TO
MASSACHUSETTS ELECTRIC COMPANY AND
NANTUCKET ELECTRIC COMPANY

Pursuant to 220 C.M.R. 1.06(6)(c), the Department of Telecommunications and Energy ("Department") hereby submits to Massachusetts Electric Company and Nantucket Electric Company the following information requests with respect to the above captioned matter.

- DTE-5-1 Please refer to pages 27-30 of the Update, revised Appendix B (submitted June 13, 2002) and the Guidelines at § 1(2).
- a. Is the proposed 4.5% after-tax "place-holder" shareholder incentive proposed for design level performance the same percentage proposed by other Massachusetts electric distribution companies for 2002 programs? Please explain why and how this percentage was chosen, and "the compelling nature of this request." Guidelines at § 1(2). Include complete and detailed documentation to support your response.
- b. Please compare the proposed 4.5% overall design performance incentive to the average yield of 3-month Treasury bills (a) over the last 12 months and (b) using the high and low over the last 12 months.
- c. Please compare the proposed 4.5% overall design performance incentive amount to the percentage performance incentive actually earned for each of the five most recent years for which the data is available.
- d. Please indicate the impact of the change in the proposed overall incentive rate, from the rate calculated according to the Guidelines, on the cost-effectiveness of the Company's programs. Include complete and detailed documentation to support your response.
- DTE-5-2 Refer to Table 3 of Appendix A in the Update.
- a. Please state why most outsourced low-income programs are not competitively procured.

- b. Please explain why only 52% of commercial & industrial program implementation expenses are outsourced.

DTE-5-3 Refer to Table 4 of Appendix A in the Update. Please explain why the budgeted spending for low-income programs is considerably higher than the minimum levels (0.25 mills/kWh or 20% of residential spending) required by G.L. c. 25, § 19. Is the answer related to the proportion of low-income customers who are not on the low-income rate?

DTE-5-4 Please refer to revised Appendix B to the update filed on June 13, 2002. Explain the reason for (1) the “correction” in the O&M 2 performance goals shown on page 7; and (2) any other revisions (if any). Does the Division of Energy Resources support this correction? Include complete and detailed documentation to support your response.

DTE-5-5 Refer to Appendix C, page 1, in the Update and Guidelines at § 3.3

- a. Please explain why the Residential Conservation Service program is included in the Plan .
- b. The B/C ratio shown for the Residential Conservation Services program is less than 1.00. State whether there are any resource or non-resource benefits of the program that have not been quantified. Please also state whether over a longer time horizon this program is expected to be cost-effective.
- c. The Energy Wise and Energy Star programs show B/C ratios only a little greater than 1.00. Please address the possibility that actual B/C ratios for these programs may fall below 1.00. Please include in your answer, among other things, (1) past ratios of planned to actual B/C ratios for these or similar programs, (2) any interaction with statewide or regional implementation of these programs and their cost-effectiveness from a larger perspective, and (3) any resource or non-resource benefits of the program that have not been quantified but may be significant.

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